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SUBJECT: UPDATE ON TRANSPORTATION IN JORDAN: DELTA STARTS DIRECT
FLIGHT FROM NY TO AMMAN; MINISTER HAS RAIL PLANS

REF: A. 07 Amman 4227

[1](#)B. 07 Amman 4072

[1](#)C. 07 Amman 3286

[1](#)1. (SBU) SUMMARY: Delta Air Line's first flight from New York JFK to Amman arrived June 6. The arrival of the first U.S. carrier in Amman is one of many changes underway at Queen Alia International Airport (QAIA) including the creation of a new government-owned company which will own QAIA and will own and operate Jordan's other airports. This new company will be launched by the Civil Aviation Regulatory Commission (CARC) and will add to a complex system of airport management and security oversight. The expected completion date for construction of new terminals at QAIA has been extended to [1](#)2011. The Ministry of Transportation has also expressed a desire for aid to support the construction of Jordanian rail service from Syria to Saudi Arabia with a line to Iraq. End Summary.

Delta Flies to Amman as Part of Its Middle East Expansion

[1](#)2. (SBU) Delta Air Lines began its first direct flight from New York JFK to Amman on June 6 (ref B). Delta offers four flights per week on a Boeing 767. CARC Chief Commissioner Suleiman Obeidat told visiting U.S. Transportation Security Administrator Kip Hawley that Delta's operations in Jordan are a "good sign" of the strong U.S.-Jordan bilateral relationship and American investment in Jordan. Tony Charaf, President of Delta Technical Operations, explained that Delta was interested in Amman and the Middle East because of the high growth rates for air travel. He told Econoff that if the Amman-New York route is successful, Delta will consider adding an Amman-Atlanta route which would have more connection possibilities. He noted that the profitability of any route is a function of the number of business travelers. Delta will compete with Royal Jordanian which offers non-stop service from Amman to New York, Chicago, Detroit, and Montreal.

Too Many Organizations at the Airport

[1](#)3. (SBU) During meetings with Administrator Hawley, Delta Air Lines officials discussed their operational and security plans and managing Jordan's complicated airport bureaucracy. A large number of organizations have management and security responsibilities at QAIA airport including: Special Services Protection Unit (SSPU), the

airport management company Airport International Group (AIG), CARC, military intelligence, General Intelligence Directorate, and the national carrier Royal Jordanian. Several Jordanian contacts, inside and outside the government, have mentioned the tensions and turf battles caused by the complex system. In addition, Delta has complained about the service it has received from RJ, which currently holds a monopoly for several airport services, including counter staff and baggage handling.

14. (SBU) Adding to the complex structure, Obeidat said that in June, CARC will register and launch the government-owned Jordan Airport Company (JAC). He explained that this step is a continuation of the government's efforts to separate CARC's regulatory role from an operational role (ref C). In addition to owning QAIA, JAC will own and operate Marka (Amman's charter airport), the airport in Aqaba, as well as any future airports (ref A). According to local press reports, the government has allocated land in the Central Jordan Valley for a new airport for the export of agricultural produce and also has plans to convert a military airport in Mafraq to commercial use.

Construction Delays at the QAIA Airport

15. (SBU) While JAC may own QAIA airport, the French company AIG will continue to operate the airport under the 25-year concession awarded to the company on a build-operate-transfer basis last year. Francois Berisot, AIG's Chief Operations Officer, expressed confusion to Econoff over the future role that JAC would play, given AIG's role as airport management. He also admitted that completion of AIG's project to renovate the existing two terminals at QAIA and

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construct two additional terminals may be delayed until 2011 (ref C). Despite this delay, Berisot confirmed that significant improvements in the existing terminals will be in place by summer 2009, the next high season. He said by October 2008, all baggage screening will be moved behind the check-in counters for improved security.

Minister of Transportation Talks Rail and Trucks

16. (SBU) During a farewell meeting with Ambassador Hale on June 3, Minister of Transportation Alaa Batayneh expressed a desire for USG funding of future transportation projects. He described Jordan's proposed rail strategy which would run from the border with Syria to the border with Saudi Arabia and connect to Iraq. Batayneh estimated the project would cost \$3.8 billion for infrastructure and an additional \$2.5 billion for train engines and cars. Currently, Jordan has only a narrow gauge railway from the historical Hijaz Railway that was constructed to take passengers from Damascus to Medina. The railway has deteriorated but sections are still operational including from Amman to Damascus and from Jordan's phosphate mines to Aqaba. Batayneh explained that the most expensive stretch would be the tunneling required near Aqaba. He elaborated that rail is an industry that requires government subsidies and emphasized that if Jordan does not put in this commercial rail line it would be by-passed by a route from Syria through Iraq.

17. (SBU) Batayneh also noted the pressures on Jordan's transportation sector, especially with rising fuel prices. He said 37% of fuel in Jordan is used for transportation. Batayneh also explained Jordan's public transportation and trucking companies systems must be 100% Jordanian by law. He noted that 88% of public transportation in Jordan, such as buses and taxis, and 64% of commercial trucks are owned by single-vehicle companies. He rationalized the nationality requirement by explaining that if trucking were opened up to foreign providers, it would be quickly dominated by large Turkish trucking companies. He added this would in turn devastate the thousands of families currently supported by independent truckers.

18. (U) Batayneh proudly mentioned the signing of the \$334 million light rail project agreement with a Spanish-Kuwaiti consortium which

will connect Amman to Zarka, Jordan's third-largest city. Local press has reported that the 16-mile track will use the current Hijaz railway track and should reduce traffic congestion.

19. (U) TSA Administrator Hawley did not have an opportunity to review this message before departing Jordan.

Visit Amman's Classified Website at
<http://www.state.sgov.gov/p/nea/amman>

HALE